

Development of the Retail Food Sales Calculator

The following questions and answers pertain to the development and use of the retail *food sales calculator*.

1. How were the estimated food sales shares derived?

Answer

Every five years, the Census Bureau conducts an Economic Census. The Census of Retail Trade was the source for food sales data. For each major retail class, such as Food and Beverage Stores, there is a table entitled: "Product Lines by Kind of Business for the United States (Census year). Sales by product line are reported, including Product Line 20100, "Groceries & other food items for human consumption off the premises, including bottled, canned, or packaged soft drinks; candy; gum; packaged snacks, etc. This product line most closely conforms to Food Stamp Program (FSP) allowed foods. All other foods are identified separately by two additional product lines:

Product Line 20120 – Meals, unpackaged snacks, sandwiches, ice cream & yogurt, bakery items & nonalcoholic beverages generally served for immediate consumption, including soup and salad bars.

Product Lines 20130 – 20143 – Alcoholic beverages, either served on the premises, or packaged products.

These foods are not allowed under the FSP.

Food sales shares for the retail class corresponding to each store type found in the WIC program were taken directly from the reported data for Product Line 20120, as a percent of total sales, for establishments with the product line. For more information, the Census industry reports containing the product line tables are available online at:
<http://www.census.gov/econ/census02/guide/INDRPT44.HTM>

2. Are data from the 2002 Economic Census still considered reliable for the purpose of estimating food sale shares in 2005 and 2006?

Answer

Inter-census year data for product line sales are not available. Generally, the mix of retail products sold does not exhibit large variation between Census years. To illustrate, the following chart shows data for Product Line 20120, Groceries & other food items, as reported in the both the 2002 and 1997 Census of Retail Trade, for selected retail industry classes:

Retail Industry Class	Share of Sales, 2002 (percent)	Share of sales, 1997 (percent)
Food and Beverage Stores	70.3	73.0
Grocery stores, including supermarkets	71.8	74.4
Warehouse Clubs and Supercenters	36.0	40.9

3. Would the recent increase in gasoline prices affect the food sales share for convenience stores with gas? If one particular product such as gasoline exhibits such dramatic price increases over a short period of time, does this invalidate the percentage share information?

Answer

Large swings in gasoline prices could affect product line sales shares for retail stores selling gasoline, all else held constant. To remedy this potential problem, it is recommended that only merchandise sales be collected/reported, with fuel sales excluded. The ability of retailers to report a sales amount that excludes fuel sales is highly likely due to the Federal excise tax collected on fuel sales that must be reported to the IRS.

4. What are the definitions of the “store types” used in the *food sales calculator*?

Answer: Definitions of store types are as follows:

Store Code	Store Type	Definition
1	Supermarket	Establishments primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry represented as major departments. Supermarkets have at least \$2 million in annual sales.
2	Small Grocery Store (excluding convenience stores)	Sub-supermarket sized establishments primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry. Included in this category are delicatessen-type establishments primarily engaged in retailing a range of food and meat products.
3	Convenience store without gasoline	Establishments known as convenience stores or food marts (except those with fuel pumps) primarily engaged in retailing a limited line of goods that generally

Store Code	Store Type	Definition
		includes food products such as milk, bread, soda, and snacks.
4	Convenience store with gasoline	Establishments engaged in retailing automotive fuels (e.g., diesel fuel, gasohol, gasoline) in combination with convenience store or food mart items. These establishments can either be in a convenience store (i.e., food mart) setting or a gasoline station setting.
5	Specialized foodstore	Establishments primarily engaged in retailing specialized lines of food such as meat, fish and seafood, produce, bakery products, nut and confectionary, and dairy products.
6	Warehouse Club store	Establishments primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise, such as apparel, furniture, and appliances. Warehouse club stores typically charge an annual membership fee.
7	Supercenter/superstore	Retail establishments primarily engaged in retailing a general line of groceries in combination with general lines of new merchandise, such as apparel, furniture, and appliances. Supercenters typically contain a supermarket-like area within a larger general merchandise store.
8	Dollar store	A variety merchandise store including some food items, typically priced at \$1.00 or less.
9	Pharmacy/drugstore	Establishments known as pharmacies and drug stores engaged in retailing prescription and/or nonprescription drugs and medicines, in addition to health and personal care products, and some food items.
10	Health food supplement store	Establishments primarily engaged in retailing food and health supplement products, such as vitamins, nutrition supplements, and body enhancing supplements.
11	Discount mass-merchandise/department store	Establishments known as department stores that have central customer checkout areas, generally in the front of the store, and that may have additional cash registers located in one or more individual departments. Discount department stores in the retail food industry sell a wide range of general merchandise (except fresh, perishable foods).
12	Military commissary	A supermarket-like grocery store typically located at a military facility and restricted to active-duty members of the armed services.

Source: Census Bureau and USDA Economic Research Service.